

ATTN: International Tax Reform Working Group

Dear Representatives Nunes and Blumenaur,

For the benefit of the United States Treasury, American companies, and American citizens abroad, The International Taxation Committee of the Ways & Means Committee for Tax Reform **must immediately support and approve** the ACA proposal for reform to Residency-based taxation (RBT). See link for a detailed report:

<http://americansabroad.org/files/6513/6370/3681/finalsubrbtmarch2013.pdf>

I am one of nearly 7 million American citizens living, working and voting from abroad, and contributing to the economic growth of the U.S. economy. All of us are suffering because of the grave injustice caused by the absurd system of citizenship-based taxation. Current tax policy is negatively affecting this important sector of Americans and their ability to compete for jobs, grow the US economy through international business and exports, and live overseas. Current tax policy damages both individuals and the welfare of our country.

The following are some examples of the fallout on Americans working overseas from current U.S. Citizenship based taxation:

- Inability to relocate and work internationally
- Denial of job opportunities or job advancement
- Refusal of entry into business partnerships
- Closure or denial of financial instruments (pensions, insurance policies, bank accounts, etc.)
- Exposure to double taxation or increased tax burden
- Financially ruinous penalties due to broad application of criminal tax evasion regulations on those making simple filing errors due to complexity of the US tax code.

The United States and the dictatorial state of Eritrea are the only two countries in the world that tax their citizens even if they do not reside in the country.

[\[http://en.wikipedia.org/wiki/International_taxation#Taxation_systems\]](http://en.wikipedia.org/wiki/International_taxation#Taxation_systems)

Ironically, on December 5, 2011, the United States voted in favour of UN Security Council Resolution 2023 condemning Eritrea for its citizenship-based taxation. Somehow, when Eritrea taxes its overseas citizens, it is a violation of their human rights, (and indeed it is!), but when the US does it, it's okay. This is pure hypocrisy! US citizens who reside for many years (most of them even all their life) overseas do not get any services from the US, and their vote also usually has little or no affect in US elections since they are "scattered across" the various 50 states, or are not affiliated with any of the states, so why should they have to pay anything? Whatever happened to the just slogan "No Taxation without Representation"?

There have also been several cases where a person who got nominated to a high-ranking foreign government position had to renounce his US citizenship (according to the laws of that foreign country). That person ended up having to hand over roughly a third of his entire fortune to Uncle Sam under the draconian "expatriation tax", even if he lived a very short period of time in the US. This caused a diplomatic disgrace to the US.

The United States must immediately join the rest of the world and adopt an RBT system, **permanently** correcting this enormous disgrace to America. This will increase revenues for the US government because the current system wastes compliance resources for very little return, and for other reasons as detailed in ACA's proposal. RBT would increase US exports strongly by facilitating American mobility in the global business environment of today's world.

Yours sincerely,
James Parker, M.D.